

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

	X	
In re	:	Chapter 11
	:	
GAWKER MEDIA LLC, et al.,	:	Case No. 16-11700 (SMB)
	:	
Debtors. ⁽¹⁾	:	Jointly Administered
	X	

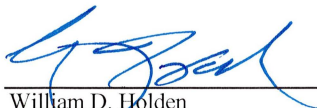
Monthly Operating Report
For the Period of September 1, 2016 to September 30, 2016

DEBTORS' ADDRESS: c/o Opportune LLP
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New York, NY 10022

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REPORT PREPARER: Gawker Media LLC, et al.

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.



William D. Holden
Chief Restructuring Officer

11/29/16

Date

Notes:

⁽¹⁾ The Debtors in these chapter 11 cases and the last four digits of each Debtor's federal tax identification number, as applicable, are as follows: Gawker Media LLC (3231), Gawker Media Group, Inc. (0491) and Gawker Hungary Kft. (5056). The Debtors' corporate headquarters is located at 10 East 53rd Street, 33rd Floor, New York, NY 10022 (c/o Opportune LLP).

NOTES TO THE MONTHLY OPERATING REPORT

General Notes and Basis of Presentation:

This Monthly Operating Report ("MOR") includes activity for the following Debtors:

<u>Debtor</u>	<u>Case No.</u>
Gawker Media LLC	16-11700
Gawker Hungary Kft.	16-11718
Gawker Media Group, Inc.	16-11719

This MOR has been prepared solely for the purposes of complying with the monthly reporting requirements applicable in these Chapter 11 cases and is in a format that the Debtors believe is acceptable to the United States Trustee. The financial information contained herein is limited in scope and covers a limited time period. Moreover, such information is preliminary and unaudited, and is not prepared in accordance with principles generally accepted in the United States ("GAAP").

The unaudited consolidated financial statements have been derived from the books and records of the Debtors. This information, however, has not been subject to certain procedures that would typically be applied to financial information in accordance with GAAP, and upon application of such procedures the financial information could be subject to material change.

The financial information contained herein is presented on a preliminary and unaudited basis and remains subject to future adjustment.

The results of operations contained herein are not necessarily indicative of results which may be expected for any other period or for the full year and may not necessarily reflect the consolidated results of operations and financial position of the Debtors in the future.

This MOR reflects the Debtors consummation of the sale of substantially all of their assets to Unimoda, LLC on September 9, 2016.

Specific Notes Regarding the Balance Sheet (MOR-3):

Liabilities subject to compromise exclude contingent, disputed and unliquidated amounts.

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Federal Tax I.D. # 20-3040492

MONTHLY OPERATING REPORT

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	<u>MOR-1</u>	Yes	No
Bank Balances	<u>MOR-1 (CON'T)</u>	Yes	No
Copies of bank statements		No ⁽¹⁾	No ⁽²⁾
Cash disbursements journals		No ⁽²⁾	No ⁽²⁾
Statement of Operations	<u>MOR-2</u>	Yes	No
Balance Sheet	<u>MOR-3</u>	Yes	No
Status of Post-petition Taxes	<u>MOR-4</u>	Yes	No
Copies of IRS Form 6123 or payment receipt		No ⁽²⁾	No ⁽²⁾
Copies of tax returns filed during reporting period		No ⁽²⁾	No ⁽²⁾
Summary of Unpaid Post-petition Debts	<u>MOR-4</u>	Yes	No
Listing of Aged Accounts Payable		No ⁽²⁾	No ⁽²⁾
Accounts Receivable Reconciliation and Aging	<u>MOR-5</u>	Yes	No
Taxes Reconciliation and Aging	<u>MOR-5</u>	Yes	No
Payments to Insiders and Professional	<u>MOR-6</u>	Yes	No
Post Petition Status of Secured Notes, Leases Payable & Adequate Assurance Payments	<u>MOR-6</u>	Yes	No
Debtor Questionnaire	<u>MOR-7</u>	Yes	No

⁽¹⁾ Provided directly to the UST.

⁽²⁾ Documents will be provided to the UST upon request.

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SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Case No.	Case Name	Bank Cash Receipts ⁽¹⁾	Bank Cash Disbursements ^{(2) (3)}	Inter-Debtor Transfers
16-11700	Gawker Media LLC ⁽⁴⁾	\$ 93,201,478	\$ 9,754,196	\$ -
16-11700	Gawker Media LLC ⁽⁵⁾	48,167,341	39,167,341	\$ (2,000,000)
	Total Gawker Media LLC	\$ 141,368,820	\$ 48,921,538	\$ (2,000,000)
16-11718	Gawker Hungary Kft. ⁽⁶⁾	2,001,720	198,455	2,000,000
16-11719	Gawker Media Group, Inc.	-	-	-
	Total Debtors	\$ 143,370,540	\$ 49,119,993	\$ -

Notes:

⁽¹⁾ Represents all receipts excluding intracompany and intercompany funding activity by and among Debtors.

⁽²⁾ Represents all disbursements including operating disbursements (payroll, production, taxes, insurance, utilities, etc.) and non-operating disbursements (restructuring fee, financing fees, interest, etc.). Excludes intracompany and intercompany disbursements.

⁽³⁾ Bank cash disbursements will be used to calculate the U.S. Trustee quarterly fee for each individual case.

⁽⁴⁾ On September 9, 2016, the Debtors consummated the sale of substantially all of their assets to Unimoda, LLC. Pursuant to paragraphs 41 and 43 of the Sale Order [Docket No. 214], the net cash proceeds of the sale (the "Net Proceeds") were transferred to a separate segregated account held by Gawker Media LLC, without prejudice to any party in interest's right to contest the allocation of the Net Proceeds. This monthly operating report reflects the Sale Proceeds having been deposited in the segregated account held by Gawker Media LLC (Rabobank - Account Number 8566).

⁽⁵⁾ Represents \$9 million deposit received in Rabobank bank account Number 8566 in August and the portion of the sale proceeds paid directly to third parties in connection with the September 9, 2016 sale closing.

⁽⁶⁾ Includes an account held in Hungary denominated in Hungarian Forint ("HUF"). HUF denominated amounts were converted to USD using an exchange rate of 0.0037.

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BANK BALANCES⁽¹⁾

Entity	Bank	Account No. ⁽²⁾	Description	Ending Bank Balance
Gawker Media Group, Inc.	Silicon Valley Bank	2079	Operating	\$ 7,769
Gawker Media LLC	Silicon Valley Bank	2011	Operating	1,452,418
Gawker Media LLC	Silicon Valley Bank	7785	LC/Collateral	-
Gawker Media LLC	Silicon Valley Bank	0192	Lockbox	-
Gawker Media LLC	Silicon Valley Bank	9122	Indemnity Reserve	249,943
Gawker Media LLC	Silicon Valley Bank	9103	Cash Management Reserve	100,000
Gawker Media LLC	Silicon Valley Bank	9118	Legal Fee Reserve	9,009
Gawker Media LLC	Silicon Valley Bank	7954	GMLLC Estate	7,129,096
Gawker Media LLC	Rabobank	8566	Operating	97,871,918
Gawker Hungary Kft.	Silicon Valley Bank	2064	Operating	2,069,111
Gawker Hungary Kft. ⁽³⁾	K&H Bank Zrt.	0002	Operating	101,369
Total Debtors Bank Cash				\$ 108,990,633

⁽¹⁾ As part of the Debtors monthly close process, all bank accounts have been reconciled to the applicable bank statements without exception. Copies of the bank reconciliations will be provided to the UST upon request. The Debtors were authorized to use these accounts on a post-petition basis pursuant to the final order signed on July 13, 2016 (Docket No. 0092).

⁽²⁾ Last four digits of the account number.

⁽³⁾ Account held in Hungary denominated in Hungarian Forint ("HUF") As of the end of the reporting period, the account balance was HUF 27,397,016, which was converted to USD using an exchange rate 0.0037.

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CONSOLIDATED STATEMENT OF OPERATIONS

	<u>September 1, 2016 to September 30, 2016</u>
Revenue:	
Operating revenue	\$1,029,970
Cost of sales:	
Campaign costs	8,137
Advertising serving cost	5,444
Hosting and IT services expense	48,704
Total cost of sales	<u>\$62,285</u>
Gross Profit	\$967,685
Expenses:	
Payroll and benefits	566,142
Miscellaneous Office Expenses	272,718
Selling, general and administrative expenses	1,519,574
Rent expense	153,973
Software and research & development expenses	3,635
Depreciation Expense	177,378
Bad debt expense	52,158
Interest Expense	647,385
Total expenses	<u>3,392,962</u>
Net Operating Income	(\$2,425,277)
Reorganization items, net	12,366,604
Other Income and Expenses:	
Gain on sale of assets	114,854,747
Tax Expense	29,990
Other Expense	90,873
Net Other Income	<u>114,733,884</u>
Net Income	<u><u>\$99,942,003</u></u>

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CONSOLIDATED BALANCE SHEET

	<u>September 30, 2016</u>
Assets:	
Cash	\$109,126,700
Restricted cash	\$1,027,665
Accounts receivable, net	106,554
Prepaid expenses	480,997
Total current assets	<u>\$110,741,916</u>
Fixed assets	\$410,575
Other Assets	811,783
Loan receivable	202,603
Total assets	<u><u>\$112,166,877</u></u>
Liabilities & Equity:	
Accounts payable	\$9,907,289
Accrued expenses	8,557
Total current liabilities	<u>\$9,915,847</u>
Liabilities subject to compromise	\$144,381,477
Deferred tax liability	390,610
Deferred rent liability	186,958
Total liabilities	<u>\$154,874,892</u>
Preferred stock	\$8,140
Common stock	904
Paid in capital	4,436,424
Retained earnings	(47,153,483)
Total liabilities & equity	<u><u>\$112,166,877</u></u>

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STATUS OF POST-PETITION TAXES ⁽¹⁾⁽²⁾

	Beginning Tax Liability	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax Liability
Federal						
Withholding	\$ -	\$ 453	\$ (453)	<i>Various</i>	<i>Wire</i>	\$ -
FICA-Employee	-	61	(61)	<i>Various</i>	<i>Wire</i>	-
FICA-Employer	-	38	(38)	<i>Various</i>	<i>Wire</i>	-
Unemployment	-	-	-	<i>N/A</i>	<i>N/A</i>	-
Income	-	39,083	(39,083)	<i>9/14/2016</i>	<i>EFT</i>	-
Other:	-	-	-	<i>N/A</i>	<i>N/A</i>	-
Total Federal Taxes	\$ -	\$ 39,635	\$ (39,635)			\$ -
State and Local						
Withholding	\$ -	\$ 227	\$ (227)	<i>Various</i>	<i>Wire</i>	\$ -
Sales	-	-	-	<i>N/A</i>	<i>N/A</i>	-
Excise	-	-	-	<i>N/A</i>	<i>N/A</i>	-
Unemployment	-	-	-	<i>N/A</i>	<i>N/A</i>	-
Real Property	-	-	-	<i>N/A</i>	<i>N/A</i>	-
Personal Property	-	-	-	<i>N/A</i>	<i>N/A</i>	-
Other:	-	-	-	<i>N/A</i>	<i>N/A</i>	-
Total State and Local	\$ -	\$ 227	\$ (227)			\$ -
Total Taxes	\$ -	\$ 39,862	\$ (39,862)			\$ -

SUMMARY OF UNPAID POST-PETITION DEBTS

	Number of Days Past Due					
	Current	0-30	31-60	61-90	Over 91	Total
Accounts Payable	9,907,289	-	-	-	-	\$9,907,289

Explain how and when the Debtor intends to pay any past due post-petition debts.

All post-petition open trade payables relate to restructuring professionals invoices that were not transferred over to the buyer as part of the sale of substantially all of the Debtor's assets. These invoices are subject to the Interim Compensation Order and are paid timely as soon as allowed by the order.

⁽¹⁾ Copies of IRS Form 6123 and all state, local and federal tax forms and returns will be provided to the UST upon request.

⁽²⁾ This schedule excludes any Gawker Hungary Kft. taxes related to Hungary employee wages, however it does include their state and local corporate income taxes.

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ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at September 1, 2016	\$ 12,367,045
Plus: Amounts billed during the period	-
Less: Amounts collected during the period (<i>Book Cash Receipts</i>)	-
Less: Credit Memos / Write Offs / Adjustments	-
Less: Accounts Receivable sold to Univision	(12,260,491)
Total Accounts Receivable at September 30, 2016	\$ 106,554

Accounts Receivable Aging (by transaction date)	Amount
0 - 30 days old	\$ 106,554
31 - 60 days old	-
61 - 90 days old	-
91+ days old	-
Total Accounts Receivable	\$ 106,554
Less: Bad Debts (Amount considered uncollectible)	-
Net Accounts Receivable	\$ 106,554

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PAYMENTS TO INSIDERS AND PROFESSIONALS

INSIDERS ⁽¹⁾				
NAME ⁽²⁾	Title	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
Employees	N/A	Gross Salary	\$ 2,800	\$ 257,549
Board Members	N/A	Board Fees	12,891	52,163
TOTAL PAYMENTS TO INSIDERS			\$ 15,691	\$ 309,712

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
Deloitte	11/10/2016	\$ -	\$ -	\$ -	\$ 451,337
Houlihan Lokey	7/14/2016	-	1,041,423	1,041,423	4,070,509
Latham & Watkins	7/8/2016	-	-	359,686	-
Levine Sullivan	9/23/2016	-	-	-	308,928
Opportune LLP	7/14/2016	-	294,848	294,848	1,311,152
Prime Clerk	7/14/2016	-	122,275	207,738	298,978
Ropes & Gray LLP	7/14/2016	-	1,421,450	1,421,450	2,610,040
Shulte Roth & Zabel	7/8/2016	-	-	245,282	-
Simpson Thacher & Barlett	8/16/2016	-	516,337	516,337	724,309
Cahill Gordon & Reindel LLP	8/11/2016	-	25,955	25,955	39,243
Citrin Cooperman & Company	9/16/2016	-	-	-	63,770
Brannock & Humphries	9/23/2016	-	-	-	19,925
Thomas & Locicero PL	9/23/2016	-	-	-	8,885
Ordinary Course Professionals	Various	-	11,181	22,812	8,770
TOTAL		\$ -	\$ 3,433,469	\$ 4,135,531	\$ 9,915,847

* INCLUDE ESTIMATES AS SOME INVOICES HAVE NOT BEEN RECEIVED

**POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE
AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	DESCRIPTION	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION ⁽³⁾
US VC Partners LP	Term Loan	N/A	15,000,000	-
US VC Partners LP	Interest	N/A	1,500,096	-
Cerberus Business Finance LLC	DIP Term Loan	N/A	17,000,000	-
Cerberus Business Finance LLC	DIP Revolver	N/A	-	-
Cerberus Business Finance LLC	DIP Undrawn Fee	N/A	3,229	-
Cerberus Business Finance LLC	Interest	N/A	89,616	-
TOTAL PAYMENTS		\$ -	\$ 33,592,942	\$ -

Notes:

⁽¹⁾ For purposes of this report where information regarding "insiders" is disclosed, the Debtors have included information with respect to certain individuals who (i) served as officers and/or directors during the relevant time periods and/or (ii) are shareholders holding 5% or more of the equity of any Debtors. Furthermore, the information listed in respect of payments made to insiders does not include expenses paid to insiders using an American Express credit card. The Debtors directly pay the statements issued by American Express.

⁽²⁾ Names of the insiders are not disclosed and will be provided to the U.S. Trustee upon request. Insider payments made in HUF currency were converted at an exchange rate of 0.0037 to USD.

⁽³⁾ Amounts exclude accrued interest, where applicable.

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DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period?	✓	
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period?	✓	
3. Is the Debtor delinquent in the timely filing of any post-petition tax returns?		✓
4. Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?	✓	
5. Is the Debtor delinquent in paying any insurance premium payment?		✓
6. Have any payments been made on pre-petition liabilities this reporting period? ⁽¹⁾	✓	
7. Are any post petition receivables (accounts, notes or loans) due from related parties?	✓	
8. Are any post petition payroll taxes past due?		✓
9. Are any post petition State or Federal income taxes past due?		✓
10. Are any post petition real estate taxes past due?		✓
11. Are any other post petition taxes past due?		✓
12. Have any pre-petition taxes been paid during this reporting period?		✓
13. Are any amounts owed to post petition creditors delinquent?		✓
14. Are any wage payments past due?		✓
15. Have any post petition loans been received by the Debtor from any party?	✓	
16. Is the Debtor delinquent in paying any U.S. Trustee fees?		✓
17. Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		✓
18. Have the owners or shareholders received any compensation outside of the normal course of business?		✓

⁽¹⁾ All payments of pre-petition amounts are pursuant to court orders.